

**TOWN OF ELSMERE  
PENSION COMMITTEE MEETING MINUTES  
SEPTEMBER 11, 2013  
COUNCIL CHAMBERS  
6:30 p.m.**

**CALL TO ORDER:** Chairman Strauss called the meeting to order at 6:30 p.m.

**PLEDGE OF ALLEGIANCE:**

**ROLL CALL:**

CHAIRMAN	NEIL STRAUSS	PRESENT
SECRETARY	STEVE WEST	PRESENT
COMMITTEE MEMBER	STEVE BARONE	ABSENT/EXCUSED
COMMITTEE MEMBER	JOHN JAREMCHUK, JR.	ABSENT/EXCUSED
COMMITTEE MEMBER	RICHARD MOORE	ABSENT/EXCUSED
COMMITTEE MEMBER	ELAINE NEGLEY	PRESENT
COMMITTEE MEMBER	MAYOR STEVE BURG	PRESENT
Town Manager, John Giles – Present		
Director of Finance, Joseph Schulcz – Present		

**PUBLIC COMMENT:** None

**APPROVAL OF MINUTES:**

Minutes of the June 12, 2013 Pension Committee Meeting

**ACTION:** A motion was made by Mayor Burg to approve the minutes of the June 12, 2013 Pension Committee Meeting with no corrections. The motion was seconded by Elaine Negley.

**VOTE:** 4-0 with 3 Absent All-in-Favor Motion carried

**REVIEW OF FINANCIAL ACTIVITY OCCURRING SINCE THE LAST COMMITTEE MEETING:**

June, July and August 2013 statements from Christiana Bank and Trust.

Town Manager John Giles presented the documents for committee review and stated that they did not contain anything significant.

## OLD BUSINESS:

1. Mayor and Council's appointment of Mr. Richard (Dick) Moore as a member of the Pension Committee.

Town Manager John Giles stated that the Mayor and Council made the appointment of Mr. Richard Moore as a member of the Pension Committee at the Council Meeting on August 8, 2013. No action is required.

2. Mayor and Council's appointment of Mr. Neal Strauss as a Chairman of the Pension Committee.

Town Manager John Giles stated that the Mayor and Council made the appointment of Mr. Neal Strauss as Chairman of the Pension Committee at the Council Meeting on August 8, 2013. No action is required.

3. Update concerning pension payments being made to retirees later than required.

Town Manager John Giles stated that pension payments have been arriving between the 1<sup>st</sup> and 10<sup>th</sup> each month. However, they are supposed to arrive by the 1<sup>st</sup>. Based on email communication with Christiana Bank, the checks should be arriving earlier. Joe Schulcz confirmed that they are initiating the transfer on the 25<sup>th</sup> now.

## NEW BUSINESS:

1. Items for the Elsmere Police Pension Plan: None
2. Items for the State of Delaware / Municipal Police Pension Plan.

Town Manager John Giles stated that the Town's matching responsibility for the State of Delaware / Municipal Police Pension Plan will increase from 14.75% last year to 15.52% for the current fiscal year that began in July. Mr. Giles stated that this is outside of the Town or the Committee's control and is mandated by the State.

3. Items for the Elsmere Police Secondary Pension Plan.

- A. Consideration of utilizing MassMutual's pre-approved document for the PPA restatement.

Mr. Giles stated that per the plan administrator, this document must be executed due to MassMutual's change in investment groups and so the investment groups will continue to be managed. Mr. Giles presented the documents to the Committee pending approval from the Committee for the Chairman's signature.

**ACTION:** A motion was made by Mayor Burg to approve utilizing MassMutual's pre-approved document for the PPA restatement. The motion was seconded by Steve West.

**VOTE:** 4-0 with 3 Absent All-in-favor Motion carried

B. Consideration of approving a Hartford Life Financial Advisor Change Form.

Mr. Giles stated that per the plan administrator, the documents must be executed due to MassMutual's change in investment groups and so the investment groups will continue to be managed. Mr. Giles presented the documents to the Committee pending approval from the Committee for the Chairman's signature.

**ACTION:** A motion was made by Steve West to approve a Hartford Life Financial Advisor Change Form. The motion was seconded by Elaine Negley.

**VOTE:** 4-0 with 3 Absent All-in-favor Motion carried

4. Items for the Town of Elsmere Employee Retirement Plan.

A. Consideration of approving a Hartford Life Financial Advisor Change Form.

Town Manager John Giles stated that this is the same form approved in Item 3 except it is for the Elsmere Employee Retirement Plan.

**ACTION:** A motion was made by Mayor Burg to approve a Hartford Life Financial Advisor Change Form. The motion was seconded by Steve West.

**VOTE:** 4-0 with 3 Absent All-in-favor Motion carried

5. Discussion concerning the transition of Primoris Benefit Advisors to Odyssey Advisors.

Town Manager John Giles stated that Primoris Benefit Advisors has changed its corporate name to Odyssey Advisors. The advisor and everything else remains the same. No action required.

Consideration of an invoice received from Odyssey Advisors.

Town Manager John Giles presented an invoice received from Odyssey Advisors for services rendered for the preparation of the actuarial valuation of the Town of Elsmere Police Pension Plan as of December 31, 2013 in the amount of \$6,300.00 for the Committee to review and approve for payment.

**ACTION:** A motion was made by Mayor Burg to approve payment of the invoice from Odyssey Advisors for services rendered in the amount of \$6,300.00. The motion was seconded by Steve West.

**VOTE:** 4-0 with 3 Absent All-in-favor Motion Carried

Retirement Plan Data Form from BCC Securities executed by the Town Manager.

Town Manager John Giles notified the committee that he executed a form presented by BCC Securities "Retirement Plan Data Form." Per BCC Securities, Mr. Giles is set

up as the Representative of the Plan Sponsor and the plan advisor required his signature on the Retirement Plan Data Form.

**REVIEW OF REPORTS:** None

**ITEMS SUBMITTED BY COMMITTEE MEMBERS:**

Chairman Strauss mentioned a federal law that allows retired officers to spend \$3,000 of their pension benefits toward health benefits on a pre-tax basis. He will research this further.

Chairman Strauss scheduled the next meeting for December 11, 2013.

**PUBLIC COMMENT:**

Councilwoman Norkavage commented on Christiana Bank (CB&T). She is unhappy with the quality of service. She raised the possibility of the Finance Director researching other options to find another institution that could provide better service and better fees. Councilwoman Norkavage is particularly unhappy with CB&T vice president's recommendation in an email exchange for pensioners to open accounts with them in order to receive their monthly payments on time.

The Committee discussed the issues pertaining to CB&T's servicing of the pension plan. Chairman Strauss stated that he is also concerned that there is no monthly payment statement that shows the benefit amount and itemizes any deductions. He stated that he currently receives the annual payment change notification, but it does not show the itemized deductions.

**ACTION:** A motion was made by Mayor Burg to charge the Town Manager to charge the Finance Director to look into other options. The motion was seconded by Steve West.

**VOTE:**            4-0 with 3 Absent            All-in-Favor            Motion carried

The Committee further discussed the issues pertaining to CB&T. Joe Schulcz stated that the monthly service charges do not consistently match the amounts he has scheduled over the 6 month period. Chairman Strauss stated that it might be a good idea to re-examine the current financial institution every few years.

Town Manager Giles stated that the Town no longer holds any other accounts with CB&T since switching the benefits over to the State. Every 6 months, the Town transfers to CB&T the amount needed for the pension. Mr. Giles stated that the Town used to hold about \$2,000,000 in accounts with CB&T. With the change over to the State, only about \$100,000 is transferred every 6 months. The State mandates the transfer every 6 months. Mr. Giles stated that the move to the State has resulted in higher interest yields to plan participants – from approximately 3% to approximately 8%. He also stated that the Town had to change the pension plan from an asset of the Town to a trust. This protects the pension plan if the Town were to be sued.

Chairman Strauss clarified that he does not necessarily need a monthly payment statement if the itemized information is included with the annual COLA letter.

Mr. Giles stated that 7 officers are currently receiving a pension. The Town is furnished the information and the officers are welcome to come to Town Hall to obtain the payment information or the information can be provided by email. Mr. Giles agreed that Town Staff will investigate other options and request the documentation the Committee has requested as long as the financial institution does not charge the pension plan an additional fee for monthly individual statements.

**ADJOURNMENT:**

**ACTION:** A motion was made by Chairman Strauss to adjourn. The motion was seconded by Steve West.

**VOTE:**            4-0 with 3 Absent            All-in-Favor            Motion carried

These minutes summarize agenda and other issues discussed at this meeting. Votes are recorded accurately. The audio tape(s) of this meeting will be available at Town Hall for a period of two years from the date these minutes are approved. The audio tapes may be reviewed at Town Hall by appointment and in accordance with the Freedom of Information Act.

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**NEAL D. STRAUSS**  
**CHAIRMAN**

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**STEVEN WEST**  
**SECRETARY**